

PROCUREMENT PROCEDURES FOR THE SELECTION OF ADMINISTRATIVE CONSULTING AND ENGINEERING/ARCHITECTURAL SERVICES *(revised 9/13/16)*

IF AN APPLICANT PLANS TO USE LCDBG FUNDS TO PAY FOR CONTRACT SERVICES, THE FEDERAL AND STATE PROCUREMENT REQUIREMENTS MUST BE MET TO AVOID PENALTIES.

The first public hearing (*see Citizen Participation requirements*) must be held prior to initiating procurement procedures. This enables the applicant to determine the services needed for the application (i.e., engineer for a sewer project or an architect for a fire station project). Procurement procedures undertaken prior to the first public hearing held in conjunction with the application development is not in compliance with LCDBG program requirements and could result in disallowed costs.

It is permissible for a local government (*applicant*) to use its own staff to apply for and administer (if funded) the Louisiana Community Development Block Grant (LCDBG) Program. Procurement procedures do **not** apply if an applicant intends to use local funds to pay for such services. **An applicant/grantee may NOT award funds to a sub-grantee for the performance of professional services.**

For those who will use LCDBG funds to pay for these services, applicants will need to procure professional services (administrative consulting and/or engineering/architectural firms) to assist in completing the application(s) (pre-agreement costs) and administering the grant(s) if funded. Federal regulations (2 CFR 200.317 through 200.326) describe the standards that must be met in securing professional services. In order to use LCDBG funds to pay for such services (including pre-agreement costs), the following requirements apply:

1. The application must be funded under the LCDBG Program;
2. The LCDBG procurement procedures must have been followed in the procurement of the engineering/architectural and/or administrative consulting firm;
3. All tasks and corresponding costs must be identified in a written contract between the selected firms and the local government (*applicant*) **prior to the beginning of services being performed;**
4. The application components prepared by engineering/architectural and/or administrative consulting providers must have been properly and adequately packaged as determined by the Office of community Development.

See *Allowable LCDBG Professional Services Fees* located on this website.

The procurement procedures carried out must be specific to the program year for which the application is being submitted. Procurement procedures undertaken in the current year will not be considered as meeting the requirements in future program years. Likewise, procurement procedures carried out in previous program years will not be considered as meeting the procurement requirements for the current program year.

No other services can be procured until after a grant has been awarded by the state.

Procurement Policy

A procurement policy must be written and adopted prior to securing contract services. If a procurement policy is already in place, the applicant/grantee must determine whether it includes all federal requirements contained in 2 CFR 200.317 through 200.326. If the policy does not contain all federal requirements (and the applicant/grantee intends to use LCDBG funds to pay for such services), the policy must be amended accordingly. A sample procurement policy is included following this section.

The procurement policy must address the following items.

1. A code of conduct that prohibits elected officials, staff, or agents from personally benefiting from LCDBG procurement must be included. The policy should prohibit the solicitation or acceptance of favors or gratuities from contractors or potential contractors. Sanctions or penalties for violations of the code of conduct by either grantee officials, staff or agents, or by contractors or their agents must be identified [2 CFR 200.318(c)(1)].
2. Proposed procurements should be reviewed by staff to avoid unnecessary and duplicative purchases and to insure costs are “reasonable” [2 CFR 200.318(d)].
3. Affirmative efforts must be undertaken to hire women’s business enterprises, minority firms and labor surplus firms, both by the grantee and the project’s prime contractor [2 CFR 200.321]. (Applicants should include a statement in the advertisement encouraging these businesses to participate including mailing copies of the solicitations to businesses that qualify.)
4. The method of contracting outlined in the policy should be acceptable (fixed price, cost plus fixed fee, purchase orders, etc.). Cost plus a percentage of cost contracts must be specifically prohibited if LCDBG funds are involved [2 CFR 200.323].
5. Procedures to handle and resolve disputes relating to procurement actions of the Grantee must be included [2 CFR 200.318(k)].
6. All procurement transactions regardless of dollar amount must be conducted so as to provide “maximum open and free competition” [2 CFR 200.319]. Some of the situations considered to be restrictive of competition include but are not limited to:
 - a. Placing unreasonable requirements on firms in order for them to qualify to do business,
 - b. Requiring unnecessary experience and excessive bonding,
 - c. Noncompetitive pricing practices between firms or between affiliated companies,
 - d. Noncompetitive awards to consultants that are on retainer contracts,
 - e. Organizational conflicts of interest,
 - f. Specifying only a “brand name” product instead of allowing an “equal” product to be offered and describing the performance of other relevant requirements of the procurement, and
 - g. Any arbitrary action in the procurement process.
7. Methods of procurement to be followed when purchasing materials and supplies or contracting for services must be included [2 CFR 200.320].

Conflicts of interest in the award and/or administration of contracts must be avoided. “No employee ... of the applicant/grantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent,

would be involved. Such a conflict would arise when...the employee, any member of his (her) immediate family, his or her partner...has a financial or other interest in the firm selected for award.” (2 CFR 200.318(c)(1)) Other federal regulations with which the grantee must comply are the conflict of interest requirements in 24 CFR 570.611. The regulations are included in this document.

Methods of Procuring Professional Services

Four methods described herein are applicable if the applicant/grantee intends to use LCDBG funds. (This is not applicable if local funds are to pay for professional services. In this case, the applicant/grantee may use local laws and procedures.)

1. **Micro-Purchase** – Procurement by micro-purchase is the acquisition of services, the aggregate dollar amount of which does not exceed the micro-purchase threshold of \$3,000. To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.
2. **SMALL PURCHASE** – This is a simple and informal method used to procure professional services that do not cost more than \$150,000. *Exception:* engineering/architectural services. Engineering/architectural services must be procured through Competitive Negotiation using “Qualification Statements”.
 - a. Obtain price or rate quotations from at least three sources. They can be obtained by fax, telephone, or in writing. Three quotes must be obtained and not just requested. Also, a response of “not interested” does not qualify as a quote.
 - b. Maintain documentation of the businesses contacted; the way in which they were contacted; the prices that were quoted; and the reasons for the firm selected.
 - c. Execute a contract that identifies the scope of work and the terms of compensation.
3. **COMPETITIVE NEGOTIATION** – Method applicable to procuring professional services exceeding \$150,000. Also, this may be used in lieu of the **SMALL PURCHASE** procedure.
 - a. Advertise for **Request for Proposals (RFP’s)** and/or **Qualification Statements**. The RFP is used when price is a factor in the selection process and the qualification statement is used when price is considered after the firm has been selected.
 - b. Advertise in the applicant’s nearest metropolitan statistical area newspaper. The advertisement should state:
 - i. the *city/parish* is submitting an LCDBG application;
 - ii. the type of professional service(s) that is being solicited;
 - iii. the location and time where the scope of services, selection criteria, minimum requirements, etc., can be obtained; and
 - iv. the deadline for the submittal of the proposal or qualification statements.
 - c. The advertisement cannot require that one firm provide both administrative and engineering services. However, the same firm may be procured for both services.
 - d. To assure “proposals will be solicited from an adequate number of qualified sources” as required in the federal regulations at 2 CFR 200.320(d), a copy of the request for proposals as it will appear in the newspaper must be mailed to a minimum of 3 firms that provide administrative services.

- e. The following information must be provided to all parties that responded to the advertisement (and/or mailing):
 - i. a cover letter from the applicant signed by the chief elected official;
 - ii. scope of services;
 - iii. name and phone number of applicant's contact person;
 - iv. deadline and location for submittal of proposal and/or qualification statements;
 - v. selection criteria and corresponding point system that will be used to rate the proposals or qualification statements received; (Criteria **must** be identified as a tiebreaker when using an "all or none" point system. The State recommends that a tiebreaker is identified for all point systems although it is not required except for the instance previously identified.) and
 - vi. a statement that the amount of funds available for the contract will be subject to LCDBG restrictions and approval.
- f. An evaluation process of the RFP's and/or qualification statements received is required to determine whether the selection criteria and requirements are met. *Please note* that receipt of just one RFP and/or qualification statement requires an evaluation. It is recommended that the applicant organize a committee of several people with knowledge of the LCDBG project, keeping in mind the Conflict of Interest rules.

Request for Proposals (RFPs)

RFPs are used to procure professional services such as administrative services, but not for the services of an engineering firm or architectural firm when using the competitive negotiation method.

An RFP must be prepared detailing the type of services needed and listing the selection criteria against which all responding proposals will be evaluated. Cost must be one of the selection criteria used and must be a minimum of 10 percent of the total possible points identified. Geographical preference may not be a criterion in accordance with federal regulations.

One of two procedures can be used to review proposals. The procedure chosen must be identified in the advertisement, and the procedure cannot be changed once the procurement process is initiated.

- a) Establish a predetermined competitive range of points for proposals that would be considered to qualify for the job. All firms whose proposals scored within that range would be invited to an oral interview and asked to submit a "best and final offer". The proposals would be re-evaluated and the highest scoring firm would be chosen.
- b) Evaluate the proposal(s) according to the selection criteria and award the contract to the highest scoring firm.

Please note: A firm cannot include in their RFP the experience and background of other firms and will result in disallowed costs unless the following conditions are in place:

- a) a written contractual agreement between the two firms that lists the services that will be provided by the subcontractor; and
- b) the fees paid to the subcontractor must account for no less than 25 percent of the contract between the prime contractor and the applicant (excluding pre-agreement costs).

Qualification Statements

Qualification statements are used to procure the services of an engineering/architectural firm when using the competitive negotiation method. Qualification statements cannot be used to procure any other service. Engineering/architectural firms may be procured for administrative tasks, but the RFP procedure must be utilized to procure administrative services. A selection is made based on the competitors' qualifications, subject to negotiation of fair and reasonable compensation.

The qualification statements must be evaluated by the selection criteria identified in the request. The applicant should negotiate costs with the top ranked firm.

4. NON-COMPETITIVE NEGOTIATION – This method may be used when projects are declared an emergency by the local government. An applicant procuring services by this method must have prior written approval from the State. LCDBG funds may not be used to make awards to sub-grantees for the performance of professional services.

Allowable Costs

Cost Analysis. The applicant must analyze the costs of contracts when intending to use LCDBG funds. The Cost/Price Detail Summary Form is included in this document and can be used for this purpose. Sole justification that the fees are within the amount allowed by the Office of Community Development is not adequate. Generally, administrative contracts are cost reimbursement contracts (cost plus fixed fee) where the firm is paid on the basis of costs incurred, overhead, other direct costs, and a fixed fee. Basic engineering and design contracts are generally fixed fee contracts where the firm is paid on the basis of work completed. The cost plus a percentage of cost and percentage of construction cost method of contracting cannot be used.

Pre-agreement Costs. A maximum of \$3,700 in administrative pre-agreement costs is allowed for public facilities, demonstrated needs, and LaSTEP projects for application preparation. Within the allowable administrative costs for LaSTEP and demonstrated needs projects, \$5,000 is allowed for pre-agreement costs if the Environmental Review Record for the project is submitted to OCD prior to or at the same time of application submittal. Within the allowable administrative costs for economic development projects, a maximum of \$9,000 is allowed for pre-agreement costs if the Environmental Review Record for the project is submitted to OCD prior to or at the same time of application submittal. If the Environmental Review Record is not submitted prior to or at the same time of application submittal, a maximum of \$4,000 will be allowed for economic development projects. In addition, basic engineering costs are also allowed as pre-agreement costs for economic development, demonstrated needs, and LaSTEP projects. (*Refer to the current Consolidated Annual Action Plan for a breakdown of these maximum amounts, and the Allowable LCDBG Professional Services Fees document, both located on this website.*) Pre-agreement costs must be identified separately in cost estimates, administrative contracts and engineering/architectural contracts.

Administrative Cost Limits. A maximum of \$35,000 is allowed for public facilities and economic development projects.

A maximum of \$25,000 and \$30,000 is allowed for demonstrated needs and LaSTEP projects. If the grantee has more than one active LCDBG project (*one that has not been issued a conditional or final close out*) or if the demonstrated needs project is subsequently approved as an emergency project, the maximum amount allowed for administrative costs will be reduced to \$20,000.

Local Government Costs. If awarded an LCDBG grant, an applicant may be reimbursed with grant funds to cover general expenses such as attendance to project-related workshops including travel and meals, fees for advertising, staff time on grant-related tasks, etc. Reimbursements for travel costs shall be in accordance with the state's Policy and Procedures Memorandum Number 49.

Engineering/Architectural Fees. *Refer to the Engineering Fee Schedules and Policies under the Grants Management link for the amounts that can be requested.* If, after a project has been funded, the scope of the project changes significantly, the Office of Community Development will make a determination of an amount that will be allowed. This determination will be made on a case-by-case basis.

If the applicant is not funded, the state will not be liable for any expenditure incurred.

If an applicant is awarded a grant, the State will advise the grantee of the amount of funds that will be allowed for administrative consulting and/or engineering/architectural fees. Therefore, the amount of the contract to be payable with LCDBG funds between the grantee and the administrative consulting firm and/or the engineering or architectural firm will be contingent upon the amount of funds awarded. If the grantee does not intend to supplement the LCDBG funds allowed for administrative and engineering/architectural fees, the selected firm must be made aware that the contracted amount for services to be rendered is subject to the availability and allowance of LCDBG funds and may be amended to reflect the reduced amount.

General Contract Requirements

A professional services contract must include the following provisions:

General Provisions:

1. Effective date of contract
2. Names and addresses of applicant/grantee and firm
3. Names of representatives of applicant/grantee and firm who will act as liaison for contract administration
4. Citation of the authority of the applicant/grantee under which the contract is entered into and source of funds
5. Conditions and terms under which the contract may be terminated by either party or remedies for violation/breach of contract

Scope of Services:

1. Detailed description of extent and character of the work to be performed
2. Time for contract performance and completion including project milestones, if any
3. Specification of materials or other services to be provided by both parties, such as maps, reports, printing, etc.

Method of Compensation

Provisions for compensation for services including fees and/or payment schedules and specification of maximum amount payable under contract. Never pay in advance of work.

Federal Contract Provisions for Professional Services Contracts

(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the

Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

(D) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(E) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(F) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

It is recommended that the applicant/grantee have an attorney review the contracts prior to execution.

Specific Administrative Contract Requirements

A sample contract is included in this document. The following conditions must be included:

1. All services to be performed (including the submittal of close-out documents with the exception of the audits) will be completed within the 36 month period covered by the grantee's contract with the State.
2. The Environmental Review Record must be submitted to the OCD, reviewed, and the grantee be given authority by the OCD to publish appropriate notices and to request release of grant funds with five (5) months of the date of authorization to incur costs. All other contract conditions will be cleared within five (5) months of the date of the State's "Authorization to Incur Costs" letter. Failure to comply with either of the above will result in assigned penalty fees as described in that letter.
3. The amounts to be charged for pre-agreement and project administration should be separated.
4. 10 percent of the contract amount will be retained until the grantee has received the State's approval of all close out documentation.

Specific Engineering/Architectural Contract Requirements

Engineering/architectural firms may choose the Standard Form of Agreement between Owner and Engineer/Architect for Professional Services. The contract must identify a maximum amount to be paid for additional services such as testing or sanitary sewer evaluation survey.

1. The following conditions must be included in the contract:
 - a. Plans and specifications, and a final cost estimate will be submitted to the OCD and DHH, if applicable, within five months of the date of the "Authorization to Incur Costs" letter. Failure to comply will result in assigned penalty fees as described in that letter.
 - b. The advertisement to solicit bids for the construction contract will be published within 30 days of the State's "Authorization to Advertise for Bids" letter. Failure to comply will result in assigned penalty fees as described in that letter.
 - c. The amounts for pre-agreement, basic and additional services should be identified separately.
2. Include in the contract:
 - a. a scope of services (*basic and additional*);
 - b. a timeframe for rendering services;
 - c. payment schedules;
 - d. opinions of cost;
 - e. the grantee's responsibilities;
 - f. general conditions;
 - g. definitions;
 - h. special provisions; and
 - i. related exhibits.
3. Any standard contract shall be modified to include LCDBG Program requirements. The requirements are:
 - a. The basis of payment cannot be cost plus a percentage of cost or a percentage of construction cost.

- b. Payment is subject to the availability of LCDBG funds. It is understood that the amount of funds available is contingent upon the amount of funds the State allows. LCDBG funds will only be used for pre-agreement services and basic and additional services that are provided following the applicant's receipt of a grant award and an "Authorization to Incur Costs" letter from the State's Office of Community Development. If the firm charges for the preparation of the application, the fees must be identified separately. The firm will not be compensated from the Program if the applicant does not receive funding.
- c. The final plans and specifications and cost estimate must be submitted to the Office of Community Development for review within five months of the grantee's receipt of an "Authorization to Incur Costs" letter. Also, the same information must be submitted to DHH for approval for those projects subject to DHH review (*sewer collection, sewage treatment, and potable/fire protection water systems*). If the plans, specifications, and cost estimate have not been submitted to the OCD and/or DHH at the end of the five month calendar period, \$250 per working day will be deducted from the amount of LCDBG funds allowed for basic services. If the grantee is using other funds to pay for engineering services, the penalty will be assessed against the amount allowed for construction costs and disallowed. The State reserves the right to grant a time extension where reasons for not meeting the time requirement were beyond the control of the engineer/architect.
- d. The first advertisement to solicit bids for construction must be published within 30 days of the State's authorization to advertise for bids. This is required of all LCDBG projects. Failure to comply will result in an assessment of \$250 per working day. The \$250 will be deducted from the amount of LCDBG funds allowed for basic services. If the grantee is using other funds to pay for engineering services, the penalty will be assessed against the amount allowed for construction costs and disallowed. The State reserves the right to grant a time extension where reasons for not meeting the time requirement were beyond the control of the engineer/architect.
- e. The Contract Provisions included in this document must be made a part of the contract.

If the local government submits two applications, it must decide if it wants to procure the same firms for both applications or procure different firms for each application. If the same firms are hired for both applications, it is recommended that separate contracts be prepared to correspond to each application. It is also recommended that the local government have its attorney review the contracts prior to execution.

Contractor Clearance

Contractor clearance must be obtained from the Office of Community Development on administrative consulting, architectural and/or engineering firms that have not provided services under the LCDBG Program within the previous five program years regardless of the source of funding. The Verification of Professional Services Eligibility form is included on the following page. Clearance must be obtained following grant award and before any costs are incurred other than pre-agreement costs. Firms that have participated in the Program within the previous five program years do not require clearance. Contractor clearance is not required for any other professional services.

Verification of Professional Services Eligibility

*Date Received by State***2 CFR 200.318(h)**

1. Request for Clearance of Professional Services is hereby made by:

Grantee _____

LCDBG Contract # _____

2. Identification of the professional firm for which clearance is requested:

Name _____

Address _____

City and State _____

Zip Code _____

Phone Number(s) _____

3. Name of the principles of the firm and their title/position are as follows.

(Complete names preferred: Example—John Buford Brown is preferable to John Brown)

Name of Principals

Title(s)

4. Description of professional services? _____

5. Signed: _____ Date _____

Grantee CEO or Representative

6. *(To be completed by the Office of Community Development)*

Upon receipt, OCD will determine eligibility status, complete and fax or mail the form to the City/Parish.

Professional firm cleared: Yes ____ No ____ Date _____

Signature, State's LCO _____

Faxed or Mailed To _____

Comments: _____

SAMPLE

(This is a sample only. Each local government should revise the Policy to reflect its own specific needs/criteria.)

PROCUREMENT POLICY

These procedures are intended to serve as guidelines for the procurement of supplies, equipment, construction services and professional services for the LCDBG Program. These guidelines meet the standards established in 2 CFR 200.317 through 200.326 and state requirements.

CODE OF CONDUCT

No employee, officer, or agent of the _____ (City/Parish) shall participate in the selection or in the award or administration of a contract supported by LCDBG funds if a conflict of interest, real or apparent, would be involved. Such a conflict could arise if the employee, officer or agent; any member of his/her immediate family; his/her partner; or an organization which employs or is about to employ any of the above, has a financial or other interest in the firm selected for award.

No officer, employee or agent of the _____ (City/Parish) shall solicit or accept gratuities, favors or anything of monetary value from contractors or firms, potential contractors or firms, or parties to sub-agreements, except where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

Any alleged violations of these standards of conduct shall be referred to the _____ (City/Parish) Attorney. Where violations appear to have occurred, the offending employee, officer or agent shall be subject to disciplinary action, including but not limited to dismissal or transfer; where violations or infractions appear to be substantial in nature, the matter may be referred to the appropriate officials for criminal investigation and possible prosecution.

PROCUREMENT PROCEDURES

The director or supervisor of each department or agency of the _____ (City/Parish) responsible for procurement of services, supplies, equipment, or construction obtained with LCDBG funds shall review all proposed procurement actions to avoid the purchase of unnecessary or duplicative items. Such reviews shall consider consolidation or breaking out to obtain a more economical purchase. When determined appropriate by the Director or Supervisor, an analysis to determine which approach would be the most economical shall be undertaken.

The _____ (City/Parish) shall take affirmative steps to assure that small and minority firms, women's business enterprises, and labor surplus firms are solicited whenever they are potential qualified sources. The _____ (City/Parish) shall also consider the feasibility of dividing total requirements into smaller tasks or quantities so as to permit maximum participation by small and minority firms, women's business enterprises, and labor surplus firms. Where permitted by regulations, delivery schedules will be developed which will include participation by such businesses.

The (City/Parish) shall assist the prime contractor whenever possible by providing copies of lists which identify qualified small and minority firms, women's business enterprises, and labor surplus area firms.

SELECTION PROCEDURES

ALL procurement carried out with LCDBG funds, where (City/Parish) is a direct party, shall be carried out in a manner that provides maximum free and open competition. Procurement procedures will not restrict or eliminate competition. (City/Parish) shall not place unreasonable requirements on firms in order for them to qualify to do business. Nor will (City/Parish) encourage or participate in noncompetitive practices among firms. The (City/Parish) is alert to organizational conflicts which would jeopardize the negotiation process and limit competition. (City/Parish) will not require unnecessary experience or bonding requirements.

Pursuant to state law, all solicitations of offers shall incorporate a clear accurate description of the technical requirements for the material, service, or product to be procured. In competitive procurements, these descriptions shall not contain features which unduly limit competition. The description may include a statement of the qualitative nature of the material, product, or service and the minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications shall be avoided whenever possible. A "brand name or equal" description may be used to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offerers shall be clearly stated.

All solicitations of offers shall clearly set forth all requirements which offerers must fulfill and all other factors to be used in evaluating bids, proposals, or statements of qualifications.

Contracts shall be awarded only to responsible contractors/firms that possess the potential ability to perform successfully under the terms and conditions of the proposed procurement.

Consideration shall be given to such factors as the contractor's/firm's capacity, integrity, compliance with public policy, record of past performance, and financial and technical resources.

METHODS OF PROCUREMENT

Direct procurement by the (City/Parish) shall be made by using one of the following methods depending on the type of service to be procured.

Micro-Purchase – Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold of \$3,000. To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

Small Purchase Procedures. Relatively simple, informal procurement procedures will be used where the purchase of materials, supplies, equipment, and/or other property will not cost in the aggregate more than \$30,000, and for construction with a cost of not more than \$150,000, except where further limited by state law or LCDBG policy. The small purchase procedure can

also be utilized to procure administrative consulting and other professional services costing not more than \$150,000. The only exception to professional services is for architectural/engineering services that must be procured through competitive negotiation. The procurement officer must obtain a minimum of three oral or written price or rate quotations from qualified sources. Documentation on all quotations received (whether oral or written) shall be made a part of the file.

Competitive Sealed Bids/Formal Advertising. Under this procedure bids are publicly advertised in accordance with the state's Public Bid Law. A firm fixed price contract (either lump sum or unit price) shall be awarded to the responsible bidder whose bid is lowest in price and that conforms to all the material terms and conditions of the advertisement for bids.

Competitive sealed bids can be used ONLY when the following criteria are met: (1) there are complete, adequate, and realistic specifications or purchase descriptions; (2) there are two or more responsible bidders who are willing and able to compete effectively; (3) the procurement can be made on a firm fixed-price contract and selection of the successful bidder can appropriately be made principally on the basis of price.

When formal advertising is used the following conditions shall be met.

- i. The advertisement for bids shall be publicly advertised in accordance with state law.
- ii. The advertisement for bids, including the specifications and pertinent attachments, shall clearly define the items or services needed in order for the bidders to properly respond to the advertisement.
- iii. All bids shall be opened publicly at the time and place specified in the advertisement for bids.
- iv. A firm fixed-price contract award shall be made by written notice to the lowest responsible bidder whose bid conforms to the advertisement for bids. Where specified in the bid documents, factors such as discounts, transportation costs, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts shall only be used to determine low bid when prior experience indicates that such discounts are generally taken.
- v. Notwithstanding the above, any or all bids may be rejected when there are sound documented business reasons in the best interest of the LCDBG Program.

Competitive Negotiation: Requests for Proposals/Qualification Statements. This method may be used when formal advertising is not appropriate. Architectural and engineering services must be procured via requests for qualification statements; administrative consulting services must be procured via requests for proposals. Other professional services may also be procured by requests for proposals. The following procedures will be used for competitive negotiation:

- i. Requests for proposals or qualification statements must be advertised in a newspaper in the nearest metropolitan area in accordance with the rules of the state's LCDBG Program. All submittals will be honored and entered into the competition.
- ii. The package for proposals or qualification statements shall identify all significant evaluation factors or selection criteria, including the corresponding point system that will be used to rate the proposals/qualification statements.

- iii. The selecting official (or committee, if one is designated) shall review all proposals and statements received and make a technical evaluation of each. This shall also include a written statement that identifies the basis upon which the selection was made.
- iv. Contract award will be made to the responsible offerer whose submission is deemed most appropriate to the _____ (City/Parish) _____ with consideration for price, qualifications, and other factors set by the local governing body. Unsuccessful offerers shall be notified in writing within ten working days of contract award. Documentation of notification shall be maintained in the contract selection file for the individual project.
- v. Following the review of the qualification statements received, the most qualified competitor will be selected to enter into contract negotiation. This shall always include negotiation of price to insure cost reasonableness. At the conclusion of successful negotiation, the competitor shall be invited to enter into a contract.

Noncompetitive Negotiation/Sole Source. Noncompetitive negotiation shall be used when small purchase, formal advertising, or competitive negotiation procedures are not feasible. Noncompetitive negotiation will involve solicitations of a proposal from only one source. This can also occur if solicitations under the competitive negotiation procedures result in only one proposal or qualification statement. Noncompetitive negotiation shall only be used when written authorization has been obtained from the state's Office of Community Development. In order to qualify for this type of procurement, one of the following circumstances must apply:

- i. The item or service is available only from a single source;
- ii. It is determined that a public urgency or emergency exists and the urgency will not permit the delay beyond the time needed to employ one of the other three methods of procurement.
- iii. After solicitation of a number of sources, competition is determined to be inadequate.

CONTRACT PRICING

Cost plus percentage of cost and percentage of construction cost methods of contracting MUST NOT be used. _____ (City/Parish) _____ shall perform cost or pricing analysis in connection with EVERY procurement action including contract modifications. Costs or prices based on estimated costs for LCDBG projects shall be allowed only to the extent that the costs incurred or the cost estimates included in negotiated prices are consistent with federal cost principals. Cost reimbursement, fixed price, per diem contracts, or a combination thereof may be utilized as appropriate.

A cost reimbursement type contract is most appropriate when the scope and extent of the work to be performed are not clearly defined. A cost reimbursement contract MUST clearly establish a cost ceiling which may not be exceeded without formally amending the contract, and must identify a fixed dollar profit that may not be increased unless there is a contract amendment that increases the scope of the work.

A fixed price contract is appropriate when the scope of work is very well defined and product oriented. A fixed price contract MUST establish a guaranteed price that may not increase unless there is a contract amendment that increases the scope of the work.

A per diem contract expected to exceed \$10,000 will not be considered unless (City/Parish) has determined that a cost reimbursable or fixed price contract is not appropriate. Cost and profit included in the per diem rate MUST be specifically negotiated and shown separately in the proposal. The contract must clearly establish a ceiling price that may not be exceeded without formally amending the contract.

The (City/Parish) may use a multiplier type of compensation under either the cost reimbursement or fixed price contract. The multiplier and the portions of the multiplier applicable to overhead and profit must be specifically negotiated and separately identified in the contract.

PROCUREMENT RECORDS

The (City/Parish) shall maintain records sufficient to detail the history of the procurement. The records shall include the following contract provisions and conditions, as applicable for construction contracts:

(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with

the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) See §200.322 Procurement of recovered materials.

(K) Pursuant to LRS 38:2227, public entities are required to obtain an attestation regarding past criminal convictions, if any, from each bidding entity responding to advertisements and letting for bids for public works contracts. The Past Criminal Convictions of Bidders form must be included in all bid documents and contracts for public works.

(L) Pursuant to LRS 38:2212.10, all bidders and contractors performing physical services with public entities must be registered and participate in a status verification system to verify that all employees in the state are legal citizens of the United States, or are legal aliens. The bidder/contractor must sign an attestation that they are complying with this law, and that all subcontractors will comply with this law.

(M) Pursuant to LRS 23:1726, bidders and contractors must certify that they are not being assessed penalties regarding unpaid worker's compensation insurance.

CONTRACT ADMINISTRATION

The (City/Parish) shall maintain contract administration systems that insure contractors/firms perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. The accepted performance of contractors/ firms will be a factor in subsequent contract negotiations and award. Remedial action by the (City/Parish) through legal processes shall be considered in instances of identified significant nonperformance.

SAMPLE ADVERTISEMENT*

**REQUEST FOR PROPOSALS FOR
ADMINISTRATIVE CONSULTING SERVICES**

The _____ (City/Parish) _____ is applying for a grant under the *FY 20xx/20xx* Louisiana Community Development Block Grant (LCDBG) Program for the purpose of (identify the specific type of project for which funds will be requested) _____ (City/Parish) _____ is interested in procuring the services of an administrative consulting firm to prepare the application package and to administer and implement the project if it is successful in being funded.

The procedures for the selection of this firm will be in accordance with the procurement requirements of the LCDBG Program. All responses received will be evaluated in accordance with the selection criteria and corresponding point system that is identified in the request for proposals package. That package also identifies the scope of services to be performed by the selected firm.

The _____ (City/Parish) will **

Interested parties are invited to secure a proposal package from _____ (name of person) _____ at _____ (address and telephone number) _____. The response to this request must be hand-delivered or mailed to the above named person at the above named address in such a manner that it is received no later than _____ (time) _____ on _____ (date) _____.

The _____ (City/Parish) _____ is an Equal Opportunity Employer. We encourage all small and minority-owned firms and women's business enterprises to apply.

*This is a sample notice soliciting proposals for an administrative consulting firm. Each local government must prepare a request for proposals that is specific to its own needs. Refer to the sample request for qualifications for a similar, acceptable format. This notice may also be revised as a combined notice requesting qualification statements from engineering/architectural firms and requesting proposals from administrative consulting firms.

**The local government must state one of the following:

- a) award the contract to the respondent obtaining the highest score in the evaluation process; or,
- b) conduct oral interviews with those firms receiving points within the range of ____ to ____ for the purpose of obtaining a "best and final offer"; following those interviews the proposals will be re-scored and the highest scoring firm will be selected.

SAMPLE

(This is only a sample. Each local government must prepare a request for proposals that is specific to its own needs.)

REQUEST FOR PROPOSALS FOR AN ADMINISTRATIVE CONSULTANT

The _____ (City/Parish) is accepting proposals from consultants for management and administrative services required by the _____ (City/Parish) for the preparation of a Louisiana Community Development Block Grant (LCDBG) Program and subsequent administration/implementation of that program if funded by the state. The project for which funds will be requested consists of

PART ONE: MANAGEMENT AND ADMINISTRATION

The level and scope of services, if any, will be determined by the _____ (City/Parish). A fixed sum contract on a cost reimbursement basis will be negotiated with the actual fees for services subject to approval by and funding from the state. Local funds will be used to pay for costs, if any, for applications that are not funded under the LCDBG Program. If the application is not funded by the state, no services beyond the application stage will be required. Therefore, neither the state nor the local government will be liable for any other expenditure under the contract. If the application is funded, LCDBG funds can be utilized for the payment of pre-agreement costs and overall program administration costs that are associated with the funded LCDBG program; such costs must be within the amounts allowed under the LCDBG Program. The scopes of services that the consultant must be prepared and qualified to provide are as follows:

- a. Prepare the FY 20xx/20xx LCDBG Application. If a fee will be charged for the preparation of the application, then a separate cost must be identified for pre-agreement services.
- b. Prepare Environmental Review Record and submit all other items required to clear the contract conditions. The Environmental Review Record must be submitted to the OCD, reviewed, and the grantee be given authority by the OCD to publish appropriate notices and to request release of grant funds with five (5) months of the date of authorization to incur costs. All other contract conditions will be cleared within five (5) months of the date of the State's "Authorization to Incur Costs" letter.
- c. Prepare the Requests for Payment to ensure consistency with the procedures established for the LCDBG Program.
- d. Ensure that the City/Parish has an acceptable financial management system as it pertains to finances of the LCDBG program. An acceptable system includes, but is not limited to, cash receipts and disbursements journal and accompanying ledgers, and should conform to generally accepted principles of municipal accounting.

- e. Establish project files in the local government's office. These files must demonstrate compliance with all applicable state, local, and federal regulations. The project files must be monitored throughout the program to ensure that they are complete and that all necessary documentation is being retained in the community's files.
- f. With the assistance of the community, help conduct public hearings. This includes, but is not limited to, such things as assisting with public notices, conducting hearings, etc., as appropriate. (program amendments, final performance hearings).
- g. Assist City/Parish in complying with regulations governing land acquisition (real property, easements, rights of ways, donation of property, etc).
- h. Assist the project engineer in the preparation of bid documents and supervise the bidding process consistent with state and federal regulations.
- i. Secure the Department of Labor's federal wage decision and include it in the bid documents.
- j. Prepare or assist in preparing construction contracts which comply with state and federal regulations. Examples are Conflict of Interest, Access to Records, Copeland Anti-Kickback Act, Safety Standards, Architectural Barriers, Flood Insurance, Clean Air and Water Act (for contracts over \$100,000), HUD Handbook (6500.3), 24 CFR 85.36, Section 3, EO 11246 (for contracts over \$10,000), etc.
- k. Obtain contractor clearance(s) from the state.
- l. Check weekly payrolls to ensure compliance with federal wage decision(s). Conduct on-site interviews and compare the results with the appropriate payrolls.
- m. Monitor construction to ensure compliance with equal opportunity and labor standards provisions.
- n. Attend and assist the City/Parish during the state's monitoring visit(s). Prepare City/Parish's response to all monitoring findings.
- o. Assist in a final inspection of the project and in the issuance of a final acceptance of work.
- p. Prepare the Section 504 self-evaluation and transition plan, if applicable.
- q. Prepare fair housing assessment.
- r. Assist City/Parish in meeting the state's financial reporting requirements.
- s. Prepare close-out documents.

PART TWO: PROPOSALS

Proposals will be considered by the *City/Parish* at a meeting to be held at _____ (a.m./p.m.) on the _____ day of _____, 20xx. In order to be considered, proposals must be received by the *City/Parish* prior to _____ (a.m./p.m.) on the _____ day of _____, 20xx. The *City/Parish* reserves the right to reject any or all proposals.

All proposals should be sealed and identified on the outside as;

FY 20xx/20xx LCDBG APPLICATION
Preparation and Implementation Proposal
Administrative Consultant

All proposals will be scored and ranked with the highest rated firm being awarded a contract.*

The proposal must include a brief history of the firm and a resume of each person in the firm who will be assigned to the project. The proposal must also include a list of local governing bodies for which the firm has been under contract with for LCDBG administration during the last four calendar years; this list will be used for reference purposes. All references must indicate excellent program performance.

Two copies of the proposal and the required supplemental information should be provided.

PART THREE: SELECTION CRITERIA**

All responses to the proposal will be evaluated according to the following criteria and corresponding point system. The proposals will be evaluated on the basis of written materials. Sufficient information must be included in the proposal to assure that the correct number of points is assigned. Incomplete or incorrect information may result in a lower score.

■ **REQUIRED PRICE CONSIDERATION***** _____ **pts.**

The lowest proposal will receive the maximum points. Other, more expensive proposals will receive reduced points based on the following formula with rounding to the nearest tenth:

***If a competitive range and oral interviews will be held, then the package must state that procedure.*

$$\frac{\text{Lowest Proposal}}{\text{More expensive proposal}} \times \text{Total Possible Price Points} = \text{Points allocated to a more expensive proposal}$$

Example:

100 points is the total possible points. (Other point scales may be chosen.)

10% of total possible points are the price consideration. (Percents greater than 10% may be chosen.)

Proposal 1 is for \$ 27,000

Proposal 2 is for \$ 20,000

Proposal 3 is for \$ 30,000

Step 1: Determine points allocated for price -- $100 \times 10\% = 10$ points

Step 2: Award ten points to the lowest priced proposal (Proposal 2 is awarded **10 points**)

Step 3: Allocate a proportionally reduced amount of points to the higher proposals

Proposal 1 $\frac{20,000}{27,000} \times 10 = \underline{\underline{7.4 \text{ points}}}$

Proposal 3 $\frac{20,000}{30,000} \times 10 = \underline{\underline{6.7 \text{ points}}}$

OPTIONAL CONSIDERATIONS: (These are sample criteria and may be modified.)

Educational background of project manager who will be assigned to project - the highest level attained will receive the assigned number of points shown for that level:

High school diploma	_____ pts.
College degree	_____ pts.
Masters or PhD	_____ pts.

Firm's experience in administering LCDBG projects during the last four calendar years; name of locality under contract with the firm and type of project administered:

Administered no LCDBG projects	_____ pts.
Administered 1-5 LCDBG projects	_____ pts.
Administered more than 5 LCDBG projects	_____ pts.

Length of time the firm has been in business:

less than 5 years	_____ pts.
5 to 10 years	_____ pts.
Over 10 years	_____ pts.

Firm is a certified Section 3 Business _____ pts.

Firm is a Minority Enterprise Business _____ pts.

Total Points for Required and Optional Considerations _____ pts.

Questions concerning this proposal should be addressed to _____ (city clerk/parish administrator) at _____ (phone number) _____. Proposals should be hand-delivered to _____ (city clerk/parish administrator) _____, at the _____ (city hall/parish office) _____ at _____ (address) _____ or mailed to _____ (city clerk/ parish administrator) _____, at the _____ (city hall/parish office) _____ at _____ (address) _____.

*If a competitive range and oral interviews will be held, then this procedure must be stated.

**These are sample criteria only. Each local government must develop its own criteria and identify those along with the corresponding point system (including ranges) which will be used to evaluate the proposals received.

***Price must be one of the criteria utilized in evaluating proposals and must be evaluated using a point system which allocates at least ten percent of the total possible points to price consideration.

Cost and Price Detail Summary Sheet

Name:	Date:		
Address:	Federal ID Number:		
City, State, Zip:	Total Price: \$		
<p>A. <u>Direct Labor</u> (<i>specify personnel by name</i>):</p> <p>Attach a copy of the scope of services identified in the contract. Each task identified in the scope of services should be assigned an estimated amount of time for completion. The total amount of time identified on the scope of services should correspond to the estimate in this section.</p>			
	<u>Estimate # of Days</u>	<u>Daily Rate</u>	<u>Estimated Cost</u>
1.			
2.			
3.			
4.			
5. Total Direct Labor:			
B. <u>Overhead/Indirect Costs</u> :	<u>Rate</u>	<u>Base</u>	<u>Estimated Cost</u>
C. <u>Other Direct Costs</u> :			<u>Estimated Cost</u>
1. Transportation	_____ # of on-site visits		\$
2. Per Diem	_____ # of days @ \$_____/day		\$
3. Reproduction	_____ # of pages @ \$_____/page		\$
4. Other (<i>specify</i>)			\$
a.			\$
b.			\$
c.			\$
d.			\$
5. Total Other Direct Costs:			\$
D. <u>Subcontracts</u>			
	<u>Name of Subcontractor(s)</u>	<u># of days of effort</u>	<u>Estimated Cost</u>
1.			\$
2.			\$
3. Total Subcontractor Cost:			\$
Total Estimated Costs (Line A5+B+C5+D3):			\$
Profit:			\$
Total Price:			\$

<u>CERTIFICATIONS</u>	
Contractor	
<p>A. Has a federal agency or a federally certified state or local agency performed any review of your accounts or records in connection with any other federal grant or contract within the past 12 months? ____ YES ____ NO</p> <p style="padding-left: 40px;">If yes, give name, address, and telephone number of the reviewing office:</p>	
<p>B. This summary conforms to the applicable cost principals.</p>	
<p>C. This proposal is submitted for use in connection with and in response to _____. This is to certify that to the best of my knowledge and belief the cost and pricing data summarized herein are complete, current, and accurate as of _____ and that a financial management capability exists to fully and accurately account for the financial transactions under this project. I further certify that I understand that the sub agreement price may be subject to downward renegotiation and/or recoupment where the above costs and pricing data have been determined, as a result of audit, not to have been current complete and accurate as of the day above.</p>	
_____ Date of Execution	_____ Signature and Title of Proposer
Grantee Reviewer	
<p>I certify that I have reviewed the cost/price summary set forth herein and the proposed costs/price appears acceptable for sub-agreement award.</p>	
_____ Date of Execution	_____ Signature and Title of Reviewer
Additional Reviewer, if needed	
_____ Date of Execution	_____ Signature and Title of Reviewer

SAMPLE

(This is only a sample. Each local government must prepare a request for qualification statements that is specific to its own needs.)

REQUEST FOR QUALIFICATION STATEMENTS FOR ENGINEERING SERVICES

The _____ (City/Parish) is seeking assistance for engineering services needed to prepare the application for *FY 20xx/20xx* LCDBG funds and subsequent implementation of that program, if funded by the state. The type of project involved is _____

The _____ (City/Parish) is soliciting qualification statements for engineering services to assist the _____ (City/Parish) with preliminary engineering, design engineering, and inspections of this project in compliance with LCDBG Program requirements. The agreement will be on a lump sum, fixed price basis (or cost reimbursement "not to exceed" basis), with payment terms to be negotiated with the selected offerer. Reimbursement for services will be contingent on the _____ (City/Parish) receiving funding from the state. Local funds will be used to pay for costs, if any, for applications that are not funded under the LCDBG Program. If the application is not funded by the state, then no services beyond the application stage will be required. Therefore, neither the state nor the local governing body will be liable for any other expenditure under the contract. The maximum amount of pre-agreement and program implementation engineering fees that can be paid for implementation with LCDBG funds will be determined by the state and may require adjustments in the proposed contract amount.

The services to be provided will include, but not be limited to:

- a. Assisting in the preparation of the application package (pre-agreement costs).
- b. Designing system improvements and construction engineering. The preliminary plans and specifications and final cost estimate must be submitted to the OCD within five months of the _____ (City/Parish) receipt of the "Authorization to Incur Costs" letter from the state's Office of Community Development. Submit plans and specifications to the Louisiana Department of Health and Hospitals, if applicable, and to the Office of Community Development within the aforementioned five month period.
- c. Assisting the administrative consultant with the construction bid package in conformance with applicable federal requirements and supervising the bid advertising, tabulation, and award process, including preparing the advertisements for bid solicitation, conducting the bid opening, and issuing the notice to proceed. The first advertisement for bid must appear within 30 days of receiving authorization to advertise for bids from the state.
- d. Assist in conducting the preconstruction conference.
- e. Field staking, on-site supervision of construction work, and preparing inspection reports.
- f. Reviewing and approving all contractor requests for payment and submitting approved requests to the local government.
- g. Providing reproducible plan drawings to the _____ (City/Parish) upon project completion.
- h. Conducting final inspection and testing.

Respondents will be evaluated on the basis of the written materials submitted and according to the following factors: *

1. Experience of the firm with this type of construction project under the LCDBG Program during past five calendar years

No previous experience _____ pts.

Under contract with 1-10 grantees during past five
calendar years (identify grantee and type of project) _____ pts.

Under contract with more than 10 grantees during past 5
calendar years (identify grantee and type of project) _____ pts.

2. Proximity of firm to local governing body**

Less than 60 miles away _____ pts.

More than 60 miles away _____ pts.

3. Length of time the firm or project engineer has been in business:

Less than 5 years _____ pts.

5 to 10 years _____ pts.

Over 10 years _____ pts.

In the event of a tie, oral interviews will be held with those firms. As a result of the interviews, the (City/Parish) will determine which firm will be selected to enter into contract negotiations. Unsuccessful firms will be notified as soon as possible.

Questions should be addressed to (city clerk/parish administrator) at (phone number) . Responses should be hand-delivered to (city clerk/parish administrator) , at the (city hall/parish office) at (address) or mailed to (city clerk/ parish administrator) at the (city hall/parish office) at (address) .

Responses must be received no later than (date) . Please state "FY 20xx/20xx LCDBG Qualifications Statement-Engineering Services" on the cover.

*The corresponding point system and breakdown of points must be specifically identified.

**Geographic preference may be used as a selection factor for engineering services if adequate competitions (two or more firms that are responsive and responsible) are located within the distances identified.

SAMPLE

(This is a sample; each local government must prepare a contract that is specific to its needs.)

CONTRACT FOR PROFESSIONAL SERVICES

PART I -- AGREEMENT

This Agreement for professional services is by and between the _____ (City/Parish) _____, State of Louisiana (hereinafter called the "City/Parish"), acting herein by _____ (chief elected official), hereunto duly authorized, and _____ (administrative consulting firm) _____, a corporation organized under the laws of the State of Louisiana (hereinafter called the "CONSULTANT"), acting herein by _____ (name) _____, President, hereunto duly authorized;

WITNESSETH THAT:

WHEREAS, the _____ (City/Parish) _____ intends to apply for and hopefully receive funding under the *FY 20xx/20xx* Louisiana Community Development Block Grant (LCDBG) Programs pursuant to Title I of the Housing and Community Development Act of 1974, as amended; and,

WHEREAS, the _____ (City/Parish) _____ desires to engage the CONSULTANT to render certain technical assistance services in connection with its Community Development Program:

NOW, THEREFORE, the parties do mutually agree as follows:

1) Employment of CONSULTANT

The _____ (City/Parish) _____ hereby agrees to engage the CONSULTANT on a contingency basis, and the CONSULTANT hereby agrees to perform the Scope of Services set forth herein under the terms and conditions of this agreement.

2) Scope of Services

The CONSULTANT shall, in a satisfactory and proper manner, perform the following services:

- a. Prepare the *FY 20xx/20xx* LCDBG Application. If a fee will be charged for the preparation of the application, then a separate cost must be identified for pre-agreement services.
- b. Prepare Environmental Review Record and submit all other items required to clear the contract conditions. The Environmental Review Record must be submitted to the OCD, reviewed, and the grantee be given authority by the OCD to publish appropriate notices and to request release of grant funds with five (5) months of the date of authorization to incur costs. All other contract conditions will be cleared within five (5) months of the date of the State's "Authorization to Incur Costs" letter.

- c. Prepare the Requests for Payment to ensure consistency with the procedures established for the LCDBG Program.
- d. Ensure that the City/Parish has an acceptable financial management system as it pertains to finances of the LCDBG program. An acceptable system includes, but is not limited to, cash receipts and disbursements journal and accompanying ledgers, and should conform to generally accepted principles of municipal accounting.
- e. Establish project files in the local government's office. These files must demonstrate compliance with all applicable state, local, and federal regulations. The project files must be monitored throughout the program to ensure that they are complete and that all necessary documentation is being retained in the community's files.
- f. With the assistance of the community, help conduct public hearings. This includes, but is not limited to, such things as assisting with public notices, conducting hearings, etc., as appropriate. (program amendments, final performance hearings).
- g. Assist City/Parish in complying with regulations governing land acquisition (real property, easements, rights of ways, donation of property, etc.).
- h. Assist the project engineer in the preparation of bid documents and supervise the bidding process consistent with state and federal regulations.
- i. Secure the Department of Labor's federal wage decision and include it in the bid documents.
- j. Prepare or assist in preparing construction contracts which comply with state and federal regulations. Examples are Conflict of Interest, Access to Records, Copeland Anti-Kickback Act, Safety Standards, Architectural Barriers, Flood Insurance, Clean Air and Water Act (for contracts over \$100,000), HUD Handbook (6500.3), 24 CFR 85.36, Section 3, EO 11246 (for contracts over \$10,000), etc.
- k. Obtain contractor clearance(s) from the state.
- l. Check weekly payrolls to ensure compliance with federal wage decision(s). Conduct on-site interviews and compare the results with the appropriate payrolls.
- m. Monitor construction to ensure compliance with equal opportunity and labor standards provisions.
- n. Attend and assist the City/Parish during the state's monitoring visit(s). Prepare City/Parish's response to all monitoring findings.
- o. Assist in a final inspection of the project and in the issuance of a final acceptance of work.
- p. Prepare the Section 504 self-evaluation and transition plan, if applicable.
- q. Prepare fair housing assessment.
- r. Assist City/Parish in meeting the state's financial reporting requirements.
- s. Prepare close-out documents.

3) Time of Performance

The services of the CONSULTANT shall commence on _____, and be provided on a per-day basis as requested by the chief elected official or his designated representative. Such services shall be continued in such sequence as to assure their relevance to the purposes of this Agreement. The CONSULTANT must take whatever steps are necessary to assure that the _____ (City/Parish's) contract conditions are cleared within five months of the date of the _____ (City/Parish's) "Authorization to Incur Costs" letter. If at the end of the five month calendar period, all contract conditions (with the exception of the preparation of engineering/architectural plans and specifications) are not cleared, \$250 per working day will be deducted from the amount of administrative funds contracted to the CONSULTANT. The state reserves the right to grant an extension where the reasons for not meeting the required timeframe were clearly beyond the control of the CONSULTANT. In any event, all of the services required and performed hereunder shall not be completed until the _____ (City/Parish) has received notification of final close out from the state.

4) Access to Information

It is agreed that all information, data, reports, records, and maps as are existing, available, and necessary for the carrying out of the work outlined above, shall be furnished to the CONSULTANT by the _____ (City/Parish). No charge will be made to the CONSULTANT for such information, and the _____ (City/Parish) will cooperate with the CONSULTANT in every way possible to facilitate the performance of the work described in this contract.

5) Compensation and Method of Payment

Payment under this contract is contingent upon the _____ (City/Parish) receiving approval from the state for funds under the *FY 20xx/20xx* LCDBG program. CONSULTANT shall only be paid for services rendered under this agreement from funds allowed by the state for pre-agreement and administrative costs under the provisions of the grant awarded to the _____ (City/Parish).

CONSULTANT will not be entitled to any LCDBG reimbursement for pre-agreement costs and program administration either from the _____ (City/Parish) or the state, if the _____ (City/Parish) does not receive a grant award and an authorization to incur costs from the state's Office of Community Development. If the grant is awarded, reasonable pre-agreement costs as well as program administration costs will be allowed under the LCDBG Program. Upon the _____ (City/Parish's) receipt of an award of a grant and an authorization to incur costs letter

from the state's Office of Community Development, the amount of compensation and reimbursement to be paid CONSULTANT under this contract for pre-agreement and program administration costs shall not exceed Thirty-Nine Thousand Seven Hundred and No/100 (\$39,700.00) Dollars.

The (City/Parish) shall retain 10 percent of CONSULTANT's overall program administrative fees until the (City/Parish) receives a letter of conditional close out from the state, whereupon this retainage shall be paid to CONSULTANT. CONSULTANT will be compensated for travel in accordance with the state's Policy and Procedures Memorandum Number 49. The CONSULTANT shall submit invoices to the (City/Parish) for payment. These invoices shall summarize the number of persons and days provided in performing assigned tasks, the tasks completed, and travel and per diem expenses incurred in the preceding month.

6) Ownership of Documents

All documents, including original drawings, estimates, specifications, field notes, and data are the property of the (City/Parish). The CONSULTANT may retain reproducible copies of drawings and other documents.

7) Professional Liability

The CONSULTANT shall be responsible for the use of reasonable skills and care benefiting the profession in the preparation of the application and in the implementation of the LCDBG Program.

8) Indemnification

The CONSULTANT shall comply with the requirements of all applicable laws, rules and regulations in connection with the services of the CONSULTANT, and shall exonerate, indemnify, and hold harmless the (City/Parish), its officers, agents, and all employees from and against them, and local taxes or contributions imposed or required under the Social Security, Workers' Compensation, and Income Tax Laws. Further, the CONSULTANT shall exonerate, indemnify, and hold harmless the (City/Parish) with respect to any damages, expenses, or claims arising from or in connection with any of the work performed or to be performed under this contract by the CONSULTANT. This shall not be construed as a limitation of the CONSULTANT's liability under this Agreement or as otherwise provided by law.

9) Contract Provisions

This Agreement is subject to the provisions titled, "Part II, Federal Contract Provisions", attached hereto and incorporated by reference herein.

10) Address of Notices and Communications

(Chief Elected Official)

(Consultant's name)

(City/Parish address)

(Consultant's address)

11) Captions

Each paragraph of this Contract has been supplied with a caption to serve only as a guide to the contents. The caption does not control the meaning of any paragraph or in any way determine its interpretation or application.

12) Authorization

This Agreement is authorized by _____ (City/Parish), Resolution _____, adopted _____, copies of which are attached hereto and made a part hereof.

ATTEST:

(City/Parish)

By: _____
(Chief Elected Official)

Date: _____

(Consultant's Firm)

By: _____
(Consultant)

PART II – Federal Contract Provisions for Professional Services Contracts

(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

(D) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(E) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(F) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.